

### Remarks

This reply is responsive to the Office communication of February 17, 2005. Page and paragraph references are to that communication unless otherwise indicated.

#### Claims 12, 18 and 24

Base claims 12, 18 and 24 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Publication 2004/0031856 to Atsmon et al. ("Atsmon") in view of U.S. Patent 5,987,438 to Nakano et al. ("Nakano") (page 2, ¶ 5). The remaining claims, which are dependent on these base claims, stand rejected under 35 U.S.C. § 103(a) as being unpatentable over this basic combination of references, either alone or further in view of other references.

In applicants' claimed invention, as defined in claims 12, 18 and 24, a float ID is defined for each of a plurality of a plurality of user groups that are supported by a system having a system key. When a purse card is presented to an access station containing a secure access module (SAM), the SAM determines whether a key on the purse card matches the system key, as well as whether a float ID read from the purse card specifies a user group supported by the system. Only if these two determinations are made in the affirmative is the transaction completed. Applicants' claimed invention thus distinguishes over previous systems that could not differentiate between user groups without using a corresponding number of system keys with their management overhead (page 1, lines 21-22; page 2, lines 4-5 and 20-21; page 3, lines 4-5).

Atsmon describes an interactive authentication system in which a user interacts with a base station 11-14 (Fig. 1) via an electronic card 10. Each card 10 is associated with a group ID, an individual ID and a (private) key [0218]. An authentication server maintains a database of authentication information including the group ID, individual user ID and key [0618]. When an authentication request is made (Fig. 32), the authentication server determines whether the group ID in the decrypted portion of an authentication request corresponds to an individual ID that has been verified [0650]. If so, and an additional authentication check relating to counter values is satisfactory, the user is authenticated (steps 324-326).

Nakano describes an electronic wallet system in which an integrated circuit (IC) card 2 (Fig. 1), i.e., a "smart" card, is presented to a card reader/writer 1 coupled to a host computer 4 via a network 3. Disclosed are various means for verifying the ID 231 of the IC card 2 and well as the ID 141 of the IC card reader/writer 1 (the "system").

The Examiner argues that Atsmon discloses applicants' claimed invention except for the steps relating to the system key, that Nakano discloses these steps, and that it would have therefore been obvious to modify Atsmon in view Nakano, since "one of ordinary skill in the art would have been motivated to do this because it provides transaction security" (page 4, ¶ 5). Applicants respectfully disagree.

In the first place, Atsmon is not available as a reference under § 102 and therefore may not properly be combined with Nagano under § 103. Even though applicants' U.S. application was not filed until November 9, 2000, it is entitled to the priority date of the prior foreign application (EP 99122520.2) filed November 12, 1999, a certified copy of which is of record herein. Even a cursory perusal will establish that, except for minor differences in wording, the prior application is almost identical to the present application.

The Atsmon application (10/618,962), on the other hand, was filed July 14, 2003, as a continuation of a prior U.S. application (09/570,399) filed May 12, 2000, after applicants' priority date. The '399 application notes in turn (as does the '962 one) that it is a continuation-in-part of the following:

1. PCT application PCT/IL99/00525 filed Oct. 4, 1999.
2. U.S. provisional application 60/180,530 filed Feb. 7, 2000.
3. PCT application PCT/IL98/00450 filed Sep. 16, 1998.
4. PCT application PCT/IL99/00470 filed Aug. 27, 1999.

5. PCT application PCT/IL99/00506 filed Sep. 16, 1999.

6. PCT application PCT/IL99/00521 filed Oct. 1, 1999.

7. PCT application PCT/IB99/02110 filed Nov. 16, 1999.

The first of these, PCT/IL99/00525, is identified in turn as a "35 USC 119(e) application" based on

1a. U.S. provisional application 60/115,231 filed Jan. 8, 1999.

1b. U.S. provisional application 60/122,687 filed Mar. 3, 1999.

1c. U.S. provisional application 60/143,220 filed Jul. 9, 1999.

1d. U.S. provisional application 60/145,342 filed Jul. 23, 1999.

1e. U.S. provisional application 60/153,858 filed Sep. 14, 1999.

As applicants have previously noted, the U.S. provisional application (2) and PCT application (7) were filed after applicants' priority date of November 12, 1999, and thus were filed too late for their disclosures to contribute to a § 102(e) reference. As applicants have further noted, PCT applications (1) and (3)-(6), while filed before applicants' priority date, do not appear to support the subject matter relating to group IDs described at paragraphs [0618] and [0718] of the cited Atsmon application.

The Examiner counters that Atsmon claims priority to U.S. provisional application 60/115,231, filed January 8, 1999, "and other provisional applications" filed before applicants' filing date (page 2, ¶ 2). While that is true, there is no evidence in the record that any of these provisional applications (1a)-(1e) contains any relevant teaching relating to group IDs. Since the PCT

application (1) that is based upon these provisional applications does not contain a relevant teaching, it is highly unlikely that these earlier applications would either. In any event, it is incumbent upon the Examiner to demonstrate the existence of relevant subject matter in those provisional applications (1a)-(1e), where, as here, applicants have challenged the priority of the cited reference.

Even if Atsmon were available as a reference, it does not teach what it is alleged to teach. That is to say, in the mode of operation described in the passages cited by the Examiner, Atsmon does not determine “whether a float ID read from said purse card specifies a user group supported by said system”, as claimed by applicant. Rather, Atsmon determines whether the group ID corresponds to an individual ID that has been verified. This is a very different test, though, since it determines whether the group ID is compatible with the individual ID, not whether it is supported by the system generally.

Also, while Nakano has been cited for its supposed teaching of “key” verification, the quantities verified are IDs (of the IC card 2, the IC card reader/writer 1 or the user) and not “keys” in any generally accepted sense of the term.<sup>1</sup> A value is not a “key” merely because it might be secret or figures somehow in an authentication procedure. Thus, even if Atsmon is available as a reference and teaches what it is claimed to teach, the combination of Nakano with this reference does not result in applicants’ claimed invention.

For the foregoing reasons, applicants respectfully submit that claims 12, 18 and 24, as well as the claims dependent thereon, distinguish patentably over Atsmon and Nakano.

#### **Claims 16, 22 and 28**

Claims 16, 22 and 28, dependent on claims 12, 18 and 24, respectively, are additionally believed to distinguish patentably over the art cited by virtue of their recitation that the purse card is debited by an amount determined by the float ID read from the card.

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<sup>1</sup> The online encyclopedia Wikipedia at [www.wikipedia.org](http://www.wikipedia.org) thus defines a “key” as “a piece of information that controls the operation of a cryptography algorithm” (hyperlinks omitted).

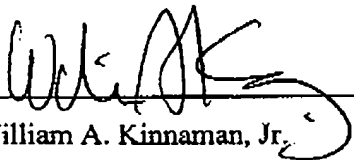
The Examiner cites Ginter et al. U.S. Patent 6,427,140 ("Ginter"), which describes debiting using a "portable appliance" such as a smart card (col. 237, lines 10-16) as well as assigning unique user IDs "when creating control information (e.g., a budget) for a new user or user group" (col. 269, lines 13-15). The Examiner argues that since Ginter's card "is associated with a float ID" (i.e., a group ID), "it can be assumed that that when Ginter et al. debits from the purse card it is determined by the float ID read from said card" (page 8, ¶ 8). Again, applicants respectfully disagree. The mere fact a group ID may be used, say, for authentication or to determine what account is being debited does not also mean that the group ID is used to determine by how much to debit that account (e.g., whether to apply a discount). Accordingly, the cited passages of Ginter are simply inapposite.

#### Conclusion

Entry of this reply and reconsideration of the application in the light thereof are respectfully requested. It is hoped that upon such consideration, the Examiner will hold all claims allowable and pass the case to issue at an early date. Such action is earnestly solicited.

Respectfully submitted,  
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